

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM Sponsoring Organizations of Homes POLICY & PROCEDURE MANUAL	ISSUED 12/90	REVISED 6/15	CHAPTER 6	SECTION 6.2
CHAPTER Chapter 6. Financial Management		SUBJECT Factors Affecting Allowability of Costs			

To be allowable under the CACFP, costs that are claimed must meet the following general criteria:

1. Be necessary and reasonable for proper and efficient administration of the Program.
2. Be authorized or not prohibited under state or local laws or regulations.
3. Conform to any limitations or exclusions set forth in federal laws or the governing limitations as to types or amounts of cost items.
4. Not be chargeable to or included as a cost to any other federally financed program in either the current or prior period.
5. Be treated consistently through the application of generally accepted accounting principles (GAAP).
6. Be properly allocated so that only the allowable share of the cost is assigned to the Program.
7. Be documented, to demonstrate that costs: 1) have been incurred; 2) are Program costs; and 3) comply with all applicable laws, regulations and FNS Instruction 796-2, Revision 4.
8. Be reported on an accrual basis, a cash basis or a modified accrual basis.